

**ARTICLES OF AMENDMENT
TO THE
ARTICLES OF INCORPORATION
OF
SOUTHCREST FINANCIAL GROUP, INC.**

I.

The name of the corporation is SOUTHCREST FINANCIAL GROUP, INC. (the "Corporation").

II.

Article Four of the Articles of Incorporation of the Corporation is hereby amended to add, following the existing text of Article Four, the designation of the rights, privileges, preferences, and limitations of the Series D Convertible Perpetual Preferred Stock (the "Series D Preferred Stock") set forth in Exhibit A to these Articles of Amendment.

III.

The designation, rights, preferences, and limitations pertaining to the Series D Preferred Stock set forth in Exhibit A hereto and this Articles of Amendment were duly adopted by the Board of Directors of the Corporation by resolution on June 13, 2013, pursuant to authority conferred upon the Board of Directors by the Articles of Incorporation of the Corporation, which authorize the issuance of up to 10,000,000 shares of preferred stock, and by Section 14-2-602 of the Georgia Business Corporation Code. A vote of the shareholders of the Corporation was not required.

IV.

All other provisions of the Articles of Incorporation of the Corporation shall remain in full force and effect.

[Signatures follow on next page.]

IN WITNESS WHEREOF, the Corporation has executed these Articles of Amendment on this 20th day of September, 2013.

SOUTHCREST FINANCIAL GROUP, INC.

By: _____

Name: Kenneth H. Maloy

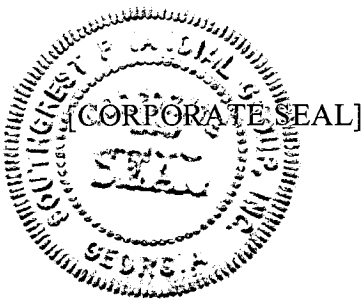
Title: President and Chief Executive Officer

ATTEST:

By: _____

Name: Douglas J. Hertha

Title: Sr. Vice President and Chief Financial Officer



2013 SEP 25 PM 4:47
SECRETARY OF STATE
CORPORATIONS DIVISION

EXHIBIT "A"
TO THE
ARTICLES OF AMENDMENT
TO THE
ARTICLES OF INCORPORATION
OF
SOUTHCREST FINANCIAL GROUP, INC.

SERIES D CONVERTIBLE PERPETUAL PREFERRED STOCK
Relative Rights and Preferences and Other Terms

1. Definitions.

- (a) "Affiliate" has the meaning set forth in 12 C.F.R. § 225.2(a) or any successor provision.
- (b) "Articles of Incorporation" means the Articles of Incorporation of the Corporation, as amended and in effect from time and time.
- (c) "Board of Directors" means the board of directors of the Corporation.
- (d) A "business day" means any day other than a Saturday or a Sunday or a day on which Georgia state banks are authorized or required by law, executive order or regulation to close.
- (e) "Certificate" means a certificate representing one (1) or more shares of Series D Preferred Stock.
- (f) "Common Stock" means the voting common stock of the Corporation, par value \$1.00 per share.
- (g) "Corporation" means SouthCrest Financial Group, Inc., a Georgia corporation.
- (h) "Conversion" has the meaning set forth in Section 5.
- (i) "Conversion Date" means the date that a share of Series D Preferred Stock is converted into Common Stock in accordance with Section 5.
- (j) "Dividends" has the meaning set forth in Section 3.
- (k) "Exchange Agent" means Registrar and Transfer Company, solely in its capacity as transfer and exchange agent for the Corporation, or any successor transfer and exchange agent for the Corporation.
- (l) "Liquidation Distribution" has the meaning set forth in Section 4.

(m) "Permissible Transfer" means a transfer by the holder of Series D Preferred Stock (i) to the Corporation, (ii) in a widely distributed public offering of Common Stock or Series D Preferred Stock; (iii) that is part of an offering that is not a widely distributed public offering of Common Stock or Series D Preferred Stock but is one in which no one transferee (or group of associated transferees) acquires the rights to receive two percent (2%) or more of any class of the Voting Securities of the Corporation then outstanding (including pursuant to a related series of transfers); (iv) that is part of a transfer of Common Stock or Series D Preferred Stock to an underwriter for the purpose of conducting a widely distributed public offering; (v) to a transferee that controls more than 50 percent (50%) of the Voting Securities of the Corporation without giving effect to such transfer, or (vi) that is part of a transaction approved by the Board of Governors of the Federal Reserve System.

(n) "Person" means an individual, corporation, partnership, limited liability company, trust, business trust, association, joint stock company, joint venture, sole proprietorship, unincorporated organization, or any other form of entity not specifically listed herein.

(o) "Series D Preferred Stock" has the meaning set forth in Section 2.

(p) "Voting Security" has the meaning set forth in 12 C.F.R. § 225.2(q) or any successor provision.

2. Designation; Number of Shares. The series of shares of Preferred Stock hereby authorized shall be designated the "Series D Convertible Perpetual Preferred Stock" (the "Series D Preferred Stock"). The initial number of authorized shares of the Series D Preferred Stock shall be 2,500,000 shares. Each share of Series D Preferred Stock has the designations, preferences, limitations and relative, participating, optional or other special rights and privileges, and the qualifications, limitations and restrictions as described herein. Each share of Series D Preferred Stock is identical in all respects to every other share of Series D Preferred Stock.

3. Dividends. The Series D Preferred Stock will rank *pari passu* with the Common Stock with respect to the payment of dividends or distributions, whether payable in cash, securities, options or other property, and with respect to issuance, grant or sale of any rights to purchase stock, warrants, securities or other property (collectively, the "Dividends"). Accordingly, the holders of record of Series D Preferred Stock will be entitled to receive as, when, and if declared by the Board of Directors, Dividends in the same per share amount as paid on the Common Stock, and no Dividends will be payable on the Common Stock or any other class or series of capital stock ranking with respect to Dividends *pari passu* with the Common Stock unless a Dividend identical to that paid on the Common Stock is payable at the same time on the Series D Preferred Stock; *provided however*, that if a stock Dividend is declared on Common Stock payable solely in Common Stock, the holders of Series D Preferred Stock will be entitled to a stock Dividend payable solely in shares of Series D Preferred Stock. Dividends that are payable on Series D Preferred Stock will be payable to the holders of record of Series D Preferred Stock as they appear on the stock register of the Corporation on the applicable record date, as determined by the Board of Directors, which record date will be the same as the record date for the equivalent Dividend of

the Common Stock. In the event that the Board of Directors does not declare or pay any Dividends with respect to shares of Common Stock, then the holders of Series D Preferred Stock will have no right to receive any Dividends.

4. Liquidation.

(a) Rank. The Series D Preferred Stock will, with respect to rights upon liquidation, winding up and dissolution, rank (i) subordinate and junior in right of payment to all other securities of the Corporation which, by their respective terms, are senior to the Series D Preferred Stock or the Common Stock, and (ii) *pari passu* with the Common Stock.

(b) Liquidation Distributions. In the event of any liquidation, dissolution or winding up of the affairs of the Corporation, whether voluntary or involuntary, holders of Series D Preferred Stock will be entitled to receive, for each share of Series D Preferred Stock, out of the assets of the Corporation or proceeds thereof (whether capital or surplus) available for distribution to stockholders of the Corporation, subject to the rights of any Persons to whom the Series D Preferred Stock is subordinate, a distribution ("Liquidation Distribution") equal to (i) any authorized and declared, but unpaid, Dividends with respect to such share of Series D Preferred Stock at the time of such liquidation, dissolution or winding up, and (ii) the amount the holder of such share of Series D Preferred Stock would receive in respect of such share if such share had been converted to one (1) share of Common Stock at the time of such liquidation, dissolution or winding up (assuming the conversion of all shares of Series D Preferred Stock at such time, without regard to any limitations on conversion of the Series D Preferred Stock). All Liquidating Distributions to the holders of the Series D Preferred Stock and Common Stock set forth in clause (ii) above will be made pro rata to the holders thereof.

(c) Merger, Consolidation and Sale of Assets Not Liquidation. For purposes of this Section 4, the merger or consolidation of the Corporation with any other corporation or other entity, including a merger or consolidation in which the holders of Series D Preferred Stock receive cash, securities or other property for their shares, or the sale, lease or exchange (for cash, securities or property) of all or substantially all of the assets of the Corporation, will not constitute a liquidation, dissolution or winding up of the Corporation.

5. Conversion.

(a) General.

- (i) A holder of Series D Preferred Stock shall be permitted to convert, or upon the written request of the Corporation shall convert, shares of Series D Preferred Stock into shares of Common Stock provided that upon such conversion the holder, together with all Affiliates of the holder, will not own or control in the aggregate more than 9.9% of the Common Stock (or of any class of Voting Securities issued by the Corporation), excluding for the purpose of this calculation any reduction in ownership resulting from transfers by such holder of Voting Securities of the Corporation (which, for

the avoidance of doubt, does not include Series D Preferred Stock). In any such conversion, each share of Series D Preferred Stock will convert into one (1) share of Common Stock.

- (ii) Each share of Series D Preferred Stock will automatically convert into one (1) share of Common Stock, without any further action on the part of any holder, subject to adjustment as provided in Section 6, below, on the date a holder of Series D Preferred Stock transfers any shares of Series D Preferred Stock to a non-affiliate of the holder in a Permissible Transfer.
- (iii) To effect any permitted conversion under Section 5(a)(i) or Section 5(a)(ii), the holder shall surrender the certificate or certificates evidencing such shares of Series D Preferred Stock, duly endorsed, at the registered office of the Corporation, and provide written instructions to the Corporation as to the number of whole shares for which such conversion shall be effected, together with any appropriate documentation that may be reasonably required by the Corporation. Upon the surrender of such certificate(s), the Corporation will issue and deliver to such holder a certificate or certificates for the number of shares of Common Stock into which the Series D Preferred Stock has been converted and, in the event that such conversion is with respect to some, but not all, of the holder's shares of Series D Preferred Stock, a certificate or certificate(s) representing the number of shares of Series D Preferred Stock that were not converted to Common Stock.
- (iv) All shares of Common Stock delivered upon conversion of the Series D Preferred Stock shall be duly authorized, validly issued, fully paid and non-assessable, free and clear of all liens, claims, security interests, charges and other encumbrances.

(b) Reservation of Shares Issuable Upon Conversion. The Corporation will at all times reserve and keep available out of its authorized but unissued Common Stock solely for the purpose of effecting the conversion of the Series D Preferred Stock such number of shares of Common Stock as will from time to time be sufficient to effect the conversion of all outstanding Series D Preferred Stock; and if at any time the number of authorized but unissued Common Stock will not be sufficient to effect the conversion of all then outstanding Series D Preferred Stock, the Corporation will take such action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued Common Stock to such number of shares as will be sufficient for such purpose.

(c) Exchange of Certificates. At any time following the Conversion Date, upon surrender to the Exchange Agent of a Certificate for cancellation, together with a properly completed and duly executed stock power or letter of transmittal, together with such other documents as may be reasonably requested by the Exchange Agent, the holder of such Certificate will be entitled to receive in exchange therefor one (1) or more certificates representing the shares of Common Stock into which the Series D Preferred Stock has been converted.

(d) No Impairment. The Corporation will not, by amendment of its Articles of Incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Corporation, but will at all times in good faith assist in the carrying out of all the provisions of this Section 5 and in the taking of all such actions as may be necessary or appropriate in order to protect the conversion rights of the holders of the Series D Preferred Stock against impairment.

6. Adjustments.

(a) Combinations or Divisions of Common Stock. In the event that the Corporation at any time or from time to time will effect a division of the Common Stock into a greater number of shares (by stock split, reclassification or otherwise other than by payment of a Dividend in Common Stock or in any right to acquire the Common Stock), or in the event the outstanding Common Stock will be combined or consolidated, by reclassification, reverse stock split or otherwise, into a lesser number of shares of the Common Stock, then the dividend, liquidation, and conversion rights of the holders of Series D Preferred Stock in effect immediately prior to such event will, concurrently with the effectiveness of such event, be proportionately decreased or increased, as appropriate.

(b) Reclassification, Exchange or Substitution. If the Common Stock is changed into the same or a different number of shares of any other class or classes of stock, whether by capital reorganization, reclassification or otherwise (other than a division or combination of shares provided for in 6(a) above), (1) the conversion ratio then in effect will, concurrently with the effectiveness of such transaction, be adjusted so that the Series D Preferred Stock will be convertible into, in lieu of the number of shares of Common Stock which the holders of the Series D Preferred Stock would otherwise have been entitled to receive, a number of shares of such other class or classes of stock equivalent to the number of shares of Common Stock that the holders of the Series D Preferred Stock would have entitled to receive upon conversion of the Series D Preferred Stock immediately before that transaction and (2) the Dividend and Liquidation Distribution rights then in effect will, concurrently with the effectiveness of such transaction, be adjusted so that the Series D Preferred Stock will be entitled to a Dividend and Liquidation Distribution right, in lieu of with respect to the number of shares of Common Stock which the holders of the Series D Preferred Stock would otherwise have been entitled to receive, with respect to a number of shares of such other class or classes of stock equivalent to the number of shares of Common Stock that the holders of the Series D Preferred Stock would have entitled to receive upon conversion of the Series D Preferred Stock immediately before that transaction.

(c) Certificates as to Adjustments. Upon the occurrence of each adjustment or readjustment pursuant to this Section 6, the Corporation at its expense will promptly compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of Series D Preferred Stock a certificate executed by the Corporation's President (or other appropriate officer) setting forth such adjustment or

readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation will, upon the written request at any time of any holder of Series D Preferred Stock, furnish or cause to be furnished to such holder a like certificate setting forth (i) such adjustments and readjustments, and (ii) the number of shares of Common Stock and the amount, if any, of other property which at the time would be received upon the conversion of the Series D Preferred Stock.

7. Reorganization, Mergers, Consolidations or Sales of Assets. If at any time or from time to time there will be a capital reorganization of the Common Stock (other than a subdivision, combination, reclassification or exchange of shares otherwise provided for in Section 6) or a merger or consolidation of the Corporation with or into another corporation, or the sale of all or substantially all the Corporation's properties and assets to any other Person, then, as a part of such reorganization, merger, consolidation or sale, provision will be made so that the holders of the Series D Preferred Stock will thereafter be entitled to receive upon conversion of the Series D Preferred Stock, the number of shares of stock or other securities or property of the Corporation, or of the successor company resulting from such merger or consolidation or sale, to which a holder of that number of shares of Common Stock deliverable upon conversion of the Series D Preferred Stock would have been entitled to receive on such capital reorganization, merger, consolidation or sale.

8. Redemption. Except to the extent a liquidation under Section 4 may be deemed to be a redemption, the Series D Preferred Stock will not be redeemable at the option of the Corporation or any holder of Series D Preferred Stock at any time. Notwithstanding the foregoing, the Corporation will not be prohibited from repurchasing or otherwise acquiring shares of Series D Preferred Stock in voluntary transactions with the holders thereof. Any shares of Series D Preferred Stock repurchased or otherwise acquired may be cancelled by the Corporation and thereafter be reissued as shares of any series of preferred stock of the Corporation.

9. Voting Rights. The holders of Series D Preferred Stock will not have any voting rights, except as may otherwise from time to time be required by law.

10. Protective Provisions. So long as any shares of Series D Preferred Stock are issued and outstanding, the Corporation will not, without obtaining the approval (by vote or written consent) of the holders of a majority of the issued and outstanding shares of Series D Preferred Stock, (i) alter or change the rights, preferences, privileges or restrictions provided for the benefit of the holders of the Series D Preferred Stock, (ii) increase or decrease the authorized number of shares of Series D Preferred Stock or (iii) enter into any agreement, merger or business consolidation, or engage in any other transaction, or take any action that would have the effect of changing any preference or any relative or other right provided for the benefit of the holders of the Series D Preferred Stock. In the event that the Corporation offers to repurchase shares of Common Stock, the Corporation shall offer to repurchase shares of Series D Preferred Stock pro rata based upon the number of shares of Common Stock such holders would be entitled to receive if such shares were converted into shares of Common Stock immediately prior to such repurchase.

11. Notices. All notices required or permitted to be given by the Corporation with respect to the Series D Preferred Stock shall be in writing, and if delivered by first class United States mail,

postage prepaid, to the holders of the Series D Preferred Stock at their last addresses as they shall appear upon the books of the Corporation, shall be conclusively presumed to have been duly given, whether or not the holder actually receives such notice; provided, however, that failure to duly give such notice by mail, or any defect in such notice, to the holders of any stock designated for repurchase, shall not affect the validity of the proceedings for the repurchase of any other shares of Series D Preferred Stock.

12. Record Holders. To the fullest extent permitted by law, the Corporation will be entitled to recognize the record holder of any share of Series D Preferred Stock as the true and lawful owner thereof for all purposes and will not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other Person, whether or not it will have express or other notice thereof.

13. Term. The Series D Preferred Stock shall have perpetual term.

14. No Preemptive Rights. The holders of Series D Preferred Stock are not entitled to any preemptive or preferential right to purchase or subscribe for any capital stock, obligations, warrants or other securities or rights of the Corporation.

15. Replacement Certificates. In the event that any Certificate will have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such Certificate to be lost, stolen or destroyed and, if required by the Corporation, the posting by such Person of a bond in such amount as the Corporation may determine is necessary as indemnity against any claim that may be made against it with respect to such Certificate, the Corporation or the Exchange Agent, as applicable, will deliver in exchange for such lost, stolen or destroyed Certificate a replacement Certificate.

16. Other Rights. The shares of Series D Preferred Stock have no rights, preferences, privileges or voting powers or relative, participating, optional or other special rights, or qualifications, limitations or restrictions thereof, other than as set forth herein or as provided by applicable law.

17. No Implied Limitations. Nothing herein shall limit, by inference or otherwise, the discretionary right of the Board of Directors to divide any or all of the shares of any preferred or special classes into series and, within the limitations set forth in the Georgia Business Corporation Code, to fix and determine the relative rights and preferences of the shares of any series so established, to the full extent provided in the Articles of Incorporation of the Corporation.

18. General Provisions. In addition to the above provisions with respect to the Series D Preferred Stock, such Series D Preferred Stock shall be subject to, and entitled to the benefits of, the provisions set forth in the Corporation's Articles of Incorporation with respect to preferred stock generally.